

City of San Diego competition initiatives - A Brief History -

Topics of Discussion

- Background
- Approach
- Results/Lessons Learned
- Program Evolution

Background

- Early 90's Economic Downturn
- City Facing Financial/Budgetary Difficulties
 - ◆ Service Reductions
 - ◆ Worker Furloughs

Background

- Mayor and City Manager Established Employee and Citizen Advisory Groups to make Recommendations:
 - ◆ CHANGE2
 - ◆ SELECT COMMITTEE on Government Efficiency
 - ◆ STEP

Background

- All Recommended Actions to:
Make City Employees more
effective and efficient.....
- CHANGE2 Recommended
Introduce Steps to Ensure City
Services are Competitive!

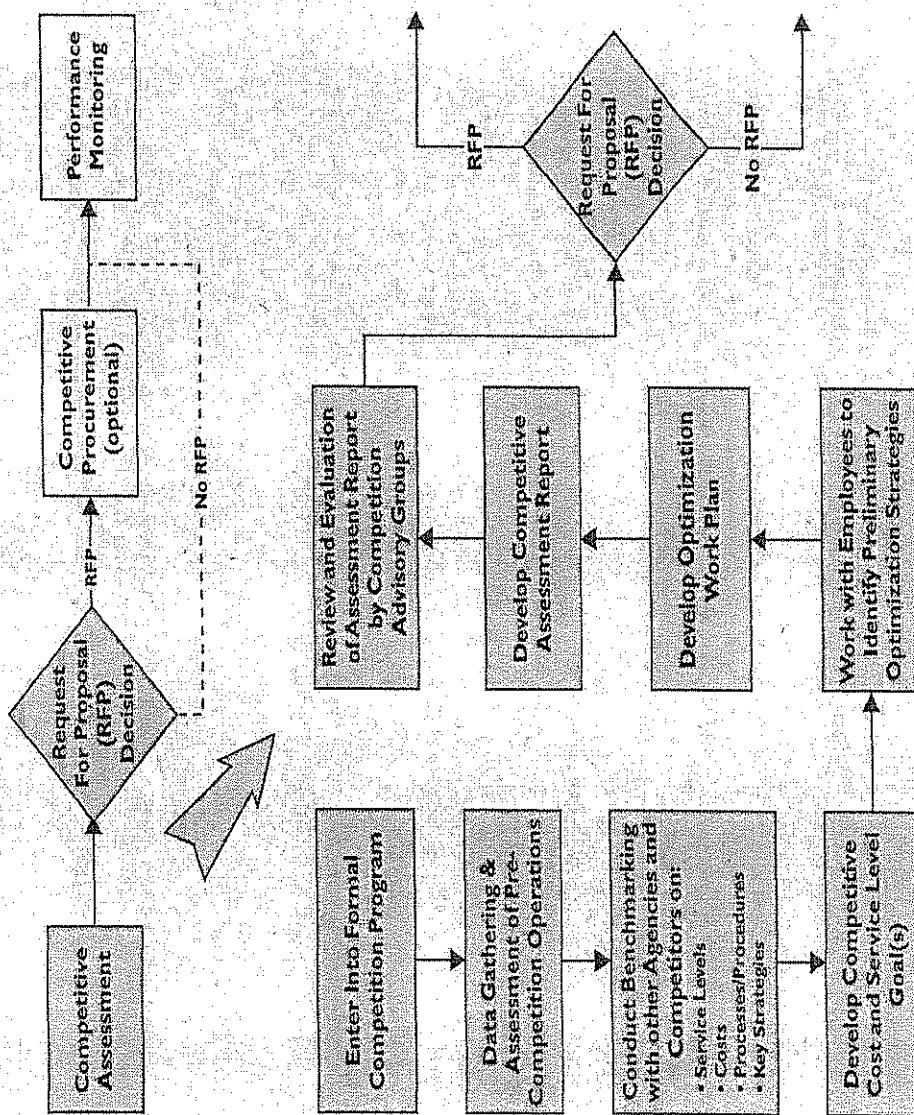
Competition Program

- Competition Program was established by Council Policy in 1994
- Policy included Provisions on:
 - ◆ Cost & Service Comparisons
 - ◆ Program Oversight
 - ◆ Handling of Employee Impacts
- City Manager was directed to develop process and establish Team to Assist

Competition Process

- Competitive Assessment
- Procurement
- Performance Monitoring

City of San Diego's Competition Process



Competition Team Established

- Financial Staff
- Organization Development Specialists
- Operations and Project Management Staff
- Labor Organization Representatives

Results 1994 - 1997

- 16 Services Assessed
- Annual Savings estimated at \$12-14 million

Program Learnings

- Managerial and Council Support is Critical
- Takes Substantial Time & Effort
- Business Units Need Support
- Process Needs to be Flexible
- Often Lack Objective Cost & Service Data
- Defining “Competitive” can be difficult

What Happened Next??

- City Issued RFP for Water Treatment Plant - 5/97
- Labor Organization Filed Legal Challenge – 7/97
- City Withdraw RFP - 10/97
- Program evolved into “Optimization”
- Bid to Goal Approach Developed